

Afghanistan gather more strength with every day that American boots are on the ground? Insurgents are energized and animated. They bolster their recruitment and increase their numbers because of their resentment over a U.S. military occupation that is now in its 11th year—11th year. We will not bring stability to Afghanistan until we fundamentally alter our bilateral relationship to emphasize peaceful, civil engagement over military engagement. The good thing about this Strategic Partnership Agreement, however, is that it does include provisions relating to democracy promotion, economic development, and assisting in the reforming of the Afghans' governing institutions. These programs need to be the centerpiece of our Afghan strategy, along with major investments in development aid across the board.

The war won't truly wind down until the White House commits—I mean commits—to spending more on diplomacy and more on development and reconstruction than they're spending on the military occupation. We need a dramatic shift in resources—more to rebuild Afghan infrastructure, more to fight poverty, more to reduce infant and maternal mortality, more to send children, especially girls, to school. As long as we maintain a military presence in Afghanistan, as long as fighting is the focal point of our relationship, we will be preventing and undermining the important humanitarian work that needs to be done.

Mr. Speaker, investing in the Afghan people is not just the right thing to do because of our common humanity, it is the smart thing to do from the standpoint of our national security objectives. That's why I call my plan SMART Security. It needs to be implemented not just in Afghanistan, but in other unstable parts of the world where terrorism poses a grave threat.

Thomas Friedman of The New York Times is on board with the principles behind SMART Security. In a column last week, he talked about how a \$13 million scholarship program for Lebanese students is doing a lot more to advance our values in that country than \$1.3 billion in military aid to Egypt. He quotes a schoolteacher in Jordan who talks about how the former is for "making people" and how the latter is for "killing people."

What is the point of our engagement, Mr. Speaker, with the rest of the world—to make people or to kill people? That's a very important question for us to answer. As Friedman puts it:

So how about we stop being stupid? How about we stop sending planes and tanks to a country where half the women and a quarter of the men can't read, and start sending scholarships instead?

How about we stop being stupid, Mr. Speaker? How about we make the shift to a SMART Security approach? How about we make that shift now and begin that shift with bringing our troops home?

#### PRIVATE SECTOR GROWTH SUFFOCATED BY HIGH TAXES

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from North Carolina (Ms. FOXX) for 5 minutes.

Ms. FOXX. I rise today to highlight an example of how private sector businesses grow and contribute to our society when they're not suffocated by unnecessarily high taxes, and I rise to dispel a myth that our colleagues continue to perpetuate about energy taxes.

On April 24, The Wall Street Journal ran an article calling Apple Incorporated "the most valuable company" in the world. Am I happy about that? Am I happy about Apple's success? You bet I am, and so are most people in the United States. Later that week, on April 28, The New York Times wrote a similar article that reported on Apple's creative but legal tax strategy that saves them billions in tax payments each year. The Times article reported "the company paid cash taxes of \$3.3 billion around the world on its reported profits of \$34.2 billion last year, a tax rate of 9.8 percent." Comparatively, Wal-Mart paid a tax rate of 24 percent.

□ 1030

When Apple was asked for comments on their exceptionally low tax rate, they responded:

By focusing on innovation, we've created entirely new products and industries, and more than 500,000 jobs for U.S. workers—from the people who create components for our products to the people who deliver them to our customers.

They also mentioned:

In the first half of fiscal year 2012, our U.S. operations have generated almost \$5 billion in Federal and State income taxes.

Mr. Speaker, Apple's experiences are instructive to us. First, the Federal Tax Code is too complicated. It allows only the largest companies who can afford to hire Tax Code interpreters to benefit from lower taxes. We should simplify the Tax Code by closing the loopholes and lower rates across the board to boost American competitiveness for all companies large and small.

Both history and Apple's experience underscore how increasing taxes without accompanying comprehensive reform has never and will never represent a sustainable, long-term strategy to any budgetary problems. On the contrary, cutting taxes does create economic growth, which fuels Federal revenue windfalls for reducing the deficit. These lessons should be applied to the entire Tax Code. Instead of increasing taxes on American energy producers, we should focus on simplifying the Federal code to encourage the development of domestic energy resources which, in turn, bolsters employment opportunities here at home.

Again, am I pleased about Apple's success? Absolutely. But we never hear from our Democrat friends about the low tax rates paid by companies like Apple. However, they attack domestic energy producers and ignore the simple

truth that it is the American people who actually own these companies and benefit from the respective profits that they make. According to the American Petroleum Institute, mutual funds and other firms hold almost 30 percent of oil stocks; pension funds hold 27 percent; individual investors hold 23 percent; 14 percent is held in individual retirement accounts; other institutional investments hold 5 percent; and corporate management holds just 1.5 percent.

Despite what liberal Democrats would have you believe, increasing domestic energy production not only helps lower prices and produce jobs; it also helps boost stocks, mutual funds, IRAs, and pension funds owned by millions of Americans.

Democrats constantly talk about subsidies to oil and energy companies. Our energy companies don't receive any subsidies. That is a myth that they perpetuate. Solyndra got a subsidy—lots of these new energy types get subsidies—but not the traditional energy companies. It's time that we as government officials get out of the way. Instead of increasing the bureaucracy and red tape, we need to focus on creating an environment for American private sector businesses to better compete in the global marketplace and give back to local communities in the form of jobs rather than sending more money to the Federal Government.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until noon today.

Accordingly (at 10 o'clock and 35 minutes a.m.), the House stood in recess.

□ 1200

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker at noon.

#### PRAYER

The Chaplain, the Reverend Patrick J. Conroy, offered the following prayer:

Eternal God, we give You thanks for giving us another day.

We thank You once again that we, Your creatures, can come before You and ask guidance for the men and women of this assembly.

Send Your spirit of wisdom as they enter into a difficult week and consider the appropriations needed for so many agencies charged with administering the various functions of government serving the citizens of the United States.

Please keep all the Members of this Congress and all who work for the people's House in good health, that they might faithfully fulfill the great responsibility given them by the people of this great Nation.